

HOUSE BILL 602
By DeBerry L

AN ACT to enact the "New Economy Technology Scholarship Act."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act may be cited as the "New Economy Technology Scholarship Act".

SECTION 2. The purpose of this act is to provide an incentive to students in this state to pursue higher education and training in science and technology fields, which are essential to economic development in this state. Further, the act is intended to create a sustained pool of highly trained technology workers which will improve this state's ability to attract and retain business.

SECTION 3. As used in this act, unless the context clearly requires otherwise:

(1) "Agency" means the Tennessee student assistance corporation (TSAC).

(2) "Approved course of study" means a program or curriculum offered by a postsecondary educational institution that provides instruction in science, technology and related fields and has been approved by the department of education.

(3) "Approved educational institution" means a postsecondary educational institution located in this state that is authorized to provide approved courses of study and grant degrees and has been approved by the TSAC as an institution in which

students may enroll to participate in the New Economy Technology Scholarship Program.

(4) "Department" means state department of education.

(5) "Incumbent worker" means a person who has been a resident of this state for at least one (1) year and who has been employed full time in this state for a period of at least one (1) year while pursuing an associate degree or its equivalent.

(6) "Program" means the New Economy Technology Scholarship Program established under Section 4

(7) "Student" means an individual domiciled in this state who attends or is about to attend a secondary school or postsecondary educational institution located in this state.

(8) "Work requirement" means postgraduate, full-time employment with an employer located in this state in an occupation related to an approved course of study required under Section 4. The term does not include a paid student internship, a paid fellowship, volunteer service or employment before graduation.

SECTION 4.

(a) There is hereby established the New Economy Technology Scholarship Program within the Tennessee student assistance corporation, to consist of the SciTech Scholarship and the GI Bill for the New Economy.

(b) The agency may provide scholarship grants to an eligible student who is a resident of this state upon confirmation from an approved educational institution that the student is enrolled in an approved course of study. Scholarship grants shall only be for the amount set forth in Sections 5(a) and 6(a) and shall only be used for tuition and mandatory fees.

(c) The department shall establish a list of approved courses of study for the program.

(d) Prior to making a grant under this act, the agency shall first apply Federal Pell Grant and state grants available to tuition and mandatory fees related to an undergraduate program prior to determining the amount of the scholarship grant.

(e) To receive a scholarship grant under this section, a student shall meet all of the following requirements:

(1) Graduation from a high school in this state, or earned general educational development (GED) diploma or other equivalent thereof.

(2) Maintenance of domicile in this state during the term of the scholarship grants.

(3) Compliance with any conditions placed on the scholarship grant by the agency or by the department.

(4) Maintenance of a grade point average of 3.0 or higher, on a scale of 4.0, or its equivalent, beginning with the first semester of the freshman year and through the term of the scholarship or in the last year of high school if the student is applying under Section 5 or 6.

(5) Enter into a written agreement with the agency to:

(A) Satisfy all degree, diploma or certificate requirements and other requirements under this act.

(B) Commence employment in this state within one (1) year after completion of an approved undergraduate degree or certificate program for a period of one (1) year for each academic year the student received a scholarship grant under this act unless the agency determines that there are extenuating circumstances.

(C) Reimburse the state all amounts received under this act and interest thereon, as determined by the agency, if the student fails to comply with subdivisions (A) and (B).

(f) A student shall apply to the agency for a scholarship grant as prescribed by the agency, to include the provision of all information and documentation required by the agency. The application of a student under eighteen (18) years old shall include the signature of a parent or guardian. The application shall include a verified statement of grade point average from the appropriate educational institution.

(g) The work requirement under subsection (e)(5)(B) shall begin after the receipt of a bachelor's or associate's degree or other appropriate certificate from an approved educational institution.

(h) If a student terminates enrollment in the approved educational institution during the academic year or prior to completion of the approved course of study, the approved education institution shall notify the agency in writing and shall return all unused portions of the scholarship grant. Returned amounts shall be used to fund other scholarship grants under this act.

(i) A scholarship under this act is only transferable to another educational institution if approved by the agency.

(j) Grants awarded under the program shall be limited to funds appropriate for that purpose. First priority for awarding grants shall be given to renewal applicants. Thereafter, grants shall be awarded on a first-come, first-served basis.

SECTION 5.

(a) The agency shall award a sci-tech scholarship in the amount of three thousand dollars (\$3,000) per academic year or a lesser amount following application of federal and state grants under Section 4(d) to a student enrolled full time in an approved educational institution pursuing a bachelor's degree. The

student shall take at least twelve (12) semester hours, or its equivalent, in an approved course of study.

(b) A grant shall be awarded beginning no earlier than the second academic year of enrollment in an approved educational institution. The grant shall be for a maximum of three (3) academic years or for up to four (4) academic years if the student is enrolled in an approved course of study that according to the agency requires five (5) academic years to complete. In order to qualify for renewals beyond three (3) years, the student must be in compliance with the requirements of Section 4(e) and the agency must determine that the student is making satisfactory progress toward completing a degree.

(c) A student who accepts a grant under this section shall complete a college-approved or university-approved internship or work experience in a science, technology or related field with an employer located in this state prior to receiving a bachelor's degree. The student shall comply with any conditions placed upon the internship by the agency or by the department. Proof of completion of the internship or work experience requirements must be submitted to the agency prior to graduation unless otherwise authorized by the agency.

SECTION 6.

(a) The agency shall award a GI Bill for the New Economy scholarship in the amount of one thousand dollars (1,000) per academic year or a lesser amount following application of federal or state grants under Section 4(d) to a student enrolled full time in an approved educational institution pursuing an associate's degree or in a private licensed school that has an academic program approved by the agency. A student who is enrolled part time and is an incumbent worker pursuing an associate's degree or other specialized program approved by the agency is eligible for a grant of twenty percent (20%) of tuition and mandatory fees.

(b) The grant shall be for a maximum of two (2) academic years or for up to three (3) academic years if the student is enrolled in an approved course of study that according to the agency requires three (3) academic years to complete. In order to qualify for a grant three (3) times, the student must be in compliance with Section 4(d), and the institution must determine that the student is making satisfactory progress toward completing an associate's degree or the requirements of the certificate program.

(c) The agency may waive the one (1) year employment requirement for an incumbent worker for extenuating circumstances related to the student's employment within the last year.

SECTION 7.

(a) The agency shall monitor and verify a student's fulfillment of all internship and work requirements under this act.

(b) The agency shall enforce repayment of all scholarship grants for a student who does not comply with the provisions of this act, to include use of all lawful collection procedures and the use of private collection agencies.

(c) Scholarship grants received by a student from the program shall not be considered financial assistance or appropriations to the approved educational institution.

(d) No funds under this act shall be granted to a person enrolled in a customized job training partnership program or continuing education course from a postsecondary educational institution for which an employer is providing over fifty percent (50%) of the financial support, directly or indirectly, and for which the student is not being charged tuition or fees.

(e) The agency shall adopt regulations and procedures necessary to carry out the purposes of this act.

SECTION 9.

(a) The agency shall publish a report by February 1, 2002, and every year thereafter. The report shall include information regarding the operation of the program, to include:

(1) Total students receiving scholarship grants in both the SciTech Scholarship and the GI Bill for the New Economy programs.

(2) Total number of students who withdraw from the program or internship or work requirements.

(3) The number of full-time and part-time students receiving scholarship grants attending four-year educational institutions, community colleges, independent two two-year colleges, private licensed schools and certificate programs reported by institution and category of institution.

(b) The annual report shall be submitted to the governor, the department, the committees on education of the house of representatives and of the senate and the joint education oversight committee.

SECTION 10. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 11. This act shall take effect July 1, 2001, the public welfare requiring it.